

State of Arizona
House of Representatives
Forty-seventh Legislature
Second Regular Session
2006

HOUSE BILL 2508

AN ACT

AMENDING SECTIONS 27-101.01, 27-102, 27-105, 27-107, 27-108, 27-110 AND 27-111, ARIZONA REVISED STATUTES; AMENDING TITLE 27, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 27-112; REPEALING SECTION 41-3006.02, ARIZONA REVISED STATUTES; AMENDING TITLE 41, CHAPTER 27, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-3016.01; RELATING TO THE DEPARTMENT OF MINES AND MINERAL RESOURCES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 27-101.01, Arizona Revised Statutes, is amended to
3 read:

4 27-101.01. Department of mines and mineral resources:
5 objectives: immunity

6 A. A department of mines and mineral resources is established.

7 B. The objectives of the department are to promote the development of
8 the mineral resources of this state:

9 1. Through technical and educational processes, including field
10 investigations, public seminars, publications, conferences, ~~AND~~ mineral
11 displays. ~~and~~

12 2. By providing mining, metallurgical and other technical information
13 and assistance to ~~prospectors, operators of small mines, the mineral industry~~
14 ~~and to all others~~ ALL PERSONS WHO ARE interested in DEVELOPING the mineral
15 resources of this state.

16 C. ANY CLAIM OR ACTION AGAINST THE DEPARTMENT, THE BOARD OF GOVERNORS
17 OR ANY MEMBER OF THE BOARD OR THE DIRECTOR OR ANY OTHER OFFICER, EMPLOYEE OR
18 VOLUNTEER OF THE DEPARTMENT IN THE PERSON'S OFFICIAL CAPACITY MUST BE BROUGHT
19 AGAINST THE STATE OF ARIZONA AND NOT AGAINST THE DEPARTMENT, BOARD, BOARD
20 MEMBER, DIRECTOR OR OFFICER, EMPLOYEE OR VOLUNTEER INDIVIDUALLY.

21 Sec. 2. Section 27-102, Arizona Revised Statutes, is amended to read:

22 27-102. Duties of the department; mining and mineral museum

23 A. CONSISTENT WITH THE OBJECTIVES STATED IN SECTION 27-101.01, the
24 department shall:

25 1. Promote the development of the mineral resources and industry of
26 this state. ~~by participating~~

27 2. ADVOCATE THE DEVELOPMENT OF MINERAL RESOURCES AND THE PRODUCTION OF
28 MINERALS AND MINERAL PRODUCTS IN THIS STATE AND APPEAR BEFORE FEDERAL AND
29 STATE REGULATORY AGENCIES AND INSTRUMENTALITIES IN SUPPORT OF ITS OBJECTIVES.

30 3. PARTICIPATE in conferences, seminars, forums, speaking engagements,
31 public news media and other functions necessary to achieve its objectives.

32 ~~2-~~ 4. Conduct studies of the ~~economic problems of prospectors and~~
33 ~~operators of small mines for the purpose of assisting in their solution and~~
34 ~~investigate their~~ properties AND CLAIMS OF COMPANIES AND INDIVIDUALS to
35 assist in THE EXPLORATION AND development OF MINERAL RESOURCES.

36 ~~3.- Maintain:-~~

37 ~~(a) An information bank and library of mineral and mining information,~~
38 ~~including books, periodicals, films, videotapes and individual mine files.~~

39 ~~(b) Underground mine map repository files, mining district data and an~~
40 ~~archive of mine data.~~

41 ~~(c) A mineral museum as the state depository for collecting,~~
42 ~~cataloging and displaying mineral specimens of various ores, gemstones,~~
43 ~~lapidary material and other valuable mineral specimens. The director may~~
44 ~~establish entrance fees to the museum for persons who are at least eighteen~~
45 ~~years of age.~~

1 5. MAINTAIN A REPOSITORY OF MINERAL AND MINING INFORMATION, INCLUDING
2 DATABASES, BOOKS, PERIODICALS, INDIVIDUAL MINE FILES, MINE MAP REPOSITORY
3 FILES, MINING DISTRICT DATA AND AN ARCHIVE OF MINE DATA. ALL DATABASES AND
4 OTHER ARCHIVAL MATERIALS SHALL BE MAINTAINED IN A SECURE AND RETRIEVABLE
5 FORMAT AND LOCATION PRESCRIBED BY THE DIRECTOR TO PROTECT AND PRESERVE
6 INFORMATION FROM DAMAGE OR DESTRUCTION.

7 ~~4.~~ 6. Provide quality mining data, evaluation and assistance relating
8 to PROMOTING mineral development to the legislature, ~~and other~~ FEDERAL, state
9 and ~~county~~ LOCAL GOVERNMENTAL agencies AND THE PUBLIC.

10 ~~5.~~ 7. Make surveys of potential economic mineral resources and
11 conduct field and other investigations which may interest capital in the
12 development of the state's mineral resources.

13 ~~6.~~ 8. Serve as a ~~center~~ SOURCE of mining information for this state
14 in matters relating to its mineral resources and monitor current mining and
15 exploration activities.

16 ~~7.~~ 9. Publish and disseminate information and data necessary or
17 advisable to attain its objectives. The director may establish reasonable
18 fees for publications.

19 ~~8. Cooperate with the state land department to encourage mining~~
20 ~~activity on state lands.~~

21 ~~9.~~ 10. Cooperate with the corporation commission in its
22 investigations and administration of laws relating to the sale of mining
23 securities.

24 ~~10. Cooperate with the state geologist and deliver to the Arizona~~
25 ~~geological survey problems which the field work of the department shows to be~~
26 ~~within the scope of the activities of the Arizona geological survey.~~

27 ~~11. Cooperate with federal and other agencies in matters related to~~
28 ~~developing mineral resources in this state.~~

29 ~~12. Oppose congressional acts favoring reciprocal or duty free imports~~
30 ~~of foreign minerals.~~

31 11. ASSIST FEDERAL, STATE AND LOCAL GOVERNMENTAL AGENCIES AND
32 INSTRUMENTALITIES, ECONOMIC DEVELOPMENT ORGANIZATIONS AND GEM AND MINERAL
33 ORGANIZATIONS IN MATTERS RELATING TO:

34 (a) EDUCATION.

35 (b) THE IDENTIFICATION, EXPLORATION AND DEVELOPMENT OF MINERAL
36 RESOURCES IN THIS STATE.

37 ~~13.~~ 12. Use its authority in other ways to assist in more extensive
38 exploration and development of the mineral resources of the state.

39 B. THE DEPARTMENT SHALL MAINTAIN A MINING AND MINERAL MUSEUM AS THE
40 STATE DEPOSITORY FOR COLLECTING, CATALOGING AND DISPLAYING MINING ARTIFACTS
41 AND SPECIMENS OF VARIOUS ORES, GEMSTONES, LAPIDARY MATERIAL AND OTHER
42 VALUABLE MINERAL SPECIMENS. IN CONNECTION WITH THE MUSEUM, THE DIRECTOR MAY:

43 1. ESTABLISH AND COLLECT ENTRANCE FEES TO THE MUSEUM FOR PERSONS WHO
44 ARE AT LEAST EIGHTEEN YEARS OF AGE.

1 2. OPERATE A RETAIL GIFT SHOP INCLUDING THE ACQUISITION, PURCHASE AND
2 RESALE OF MINERAL SPECIMENS AND MINERAL-RELATED ITEMS.

3 3. EMPLOY A CURATOR FOR THE MUSEUM.

4 ~~B. A mines and mineral resources fund is established consisting of~~
5 ~~monies received pursuant to subsection A, paragraph 3, subdivision (c) and~~
6 ~~paragraph 7 of this section and section 27-105, paragraphs 6 and 7. Monies~~
7 ~~in the fund are continuously appropriated to the department for purposes of~~
8 ~~administration of this article, and monies in the fund are exempt from the~~
9 ~~provisions of section 35-190 relating to lapsing of appropriations.~~

10 Sec. 3. Section 27-105, Arizona Revised Statutes, is amended to read:
11 27-105. Powers and duties of board of governors

12 A. The board OF GOVERNORS shall:

- 13 1. Establish field offices it deems necessary.
14 2. Prescribe the number of field and office assistants.
15 3. Formulate the program and policies of the department.

16 B. FOR THE PURPOSES OF CARRYING OUT THIS ARTICLE, THE BOARD MAY:

17 ~~4. 1. Adopt rules and regulations for government~~ THE MANAGEMENT of
18 the department.

19 ~~5. 2. Purchase OR LEASE necessary TECHNOLOGICAL AND office equipment~~
20 ~~and rent or lease~~ PAY FOR THE UTILITY SERVICE AND MAINTENANCE FOR necessary
21 MUSEUM, office AND STORAGE space.

22 ~~6. 3. APPLY FOR AND accept GRANTS, DONATIONS, gifts, bequests or~~
23 ~~legacies of real or personal property, or any other contribution, financial~~
24 ~~or otherwise, for use in accordance with the direction of the donor, or, in~~
25 ~~the absence of an express direction, to be disposed of for the best interests~~
26 ~~of the state AS PRESCRIBED BY THE BOARD CONSISTENT WITH THIS ARTICLE.~~ Monies
27 received pursuant to this paragraph shall be deposited in a separate account
28 of the mines and mineral resources fund established by section ~~27-102~~ 27-111.

29 ~~7. 4. Accept from the federal OR STATE GOVERNMENT, ANY LOCAL~~
30 ~~government or its ANY OF THEIR agencies RESTRICTED AND UNRESTRICTED monies~~
31 ~~made available to the state for the purposes of this article.~~

32 ~~8. 5. Enter into cooperative agreements IN SUPPORT OF THE OBJECTIVES~~
33 ~~STATED IN SECTION 27-101.01, INCLUDING INTERGOVERNMENTAL AGREEMENTS PURSUANT~~
34 ~~TO TITLE 11, CHAPTER 7, ARTICLE 3, with:~~

35 (a) The federal government and its agencies. ~~or with~~

36 (b) INTERNATIONAL ORGANIZATIONS AND ORGANIZATIONS AND AGENCIES OF
37 OTHER NATIONS.

38 (c) AGENCIES AND INSTRUMENTALITIES OF THIS STATE AND POLITICAL
39 SUBDIVISIONS OF THIS STATE.

40 (d) Any mining agency created by the law of any OTHER state ~~for the~~
41 ~~purpose of carrying out this article.~~

42 (e) OTHER PUBLIC AND PRIVATE ORGANIZATIONS, FOUNDATIONS, CLUBS AND
43 MUSEUMS AND OTHER ENTITIES.

44 6. CONTRACT WITH PERSONS AND PUBLIC OR PRIVATE ORGANIZATIONS TO
45 PROVIDE OR RECEIVE SERVICES.

1 Sec. 4. Section 27-107, Arizona Revised Statutes, is amended to read:
2 27-107. Director of department; compensation and reimbursement

3 A. The director of the department shall be appointed by the board. The
4 person appointed shall be a mining, metallurgical or geological engineer
5 graduated from an accredited school, SHALL BE qualified by education and
6 experience in the minerals industry and shall possess a certificate of
7 registration as an engineer or a geologist, issued by the state board of
8 technical registration.

9 B. The director is entitled to receive compensation as determined
10 pursuant to section 38-611 AND REIMBURSEMENT OF EXPENSES PURSUANT TO TITLE
11 38, CHAPTER 4, ARTICLE 2.

12 Sec. 5. Section 27-108, Arizona Revised Statutes, is amended to read:
13 27-108. Powers and duties of director

14 A. The director shall:

15 1. Have charge and control of the work of the department, including
16 field offices. ~~and shall~~

17 2. Appoint the field and office assistants. The compensation for such
18 assistants shall be as determined pursuant to section 38-611. ~~He shall~~

19 3. Administer the finances of the department, subject to the
20 provisions of law and the rules of the board. ~~and shall~~

21 4. Perform other duties the board prescribes.

22 B. THE DIRECTOR MAY:

23 1. WITH THE APPROVAL OF THE BOARD, ESTABLISH AND COLLECT FEES FOR
24 SERVICES PROVIDED BY THE DEPARTMENT.

25 2. RECEIVE ANY MONIES TO SUPPORT THE OBJECTIVES STATED IN SECTION
26 27-101.01 ARISING FROM GRANTS, CONTRACTS, CONTRIBUTIONS, GRATUITIES OR
27 REIMBURSEMENTS PAYABLE OR DISTRIBUTABLE TO THIS STATE FROM THE UNITED STATES,
28 FROM STATE, COUNTY, MUNICIPAL OR OTHER GOVERNMENTAL SOURCES OR FROM PRIVATE
29 PERSONS OR CORPORATIONS. MONIES RECEIVED PURSUANT TO THIS PARAGRAPH SHALL BE
30 DEPOSITED IN THE MINES AND MINERAL RESOURCES FUND ESTABLISHED BY SECTION
31 27-111.

32 3. ENTER INTO CONTRACTS, EXCEPT AS PROVIDED BY SECTION 27-105.

33 4. ACQUIRE THE SERVICES AND EXPERTISE OF STATE UNIVERSITIES FOR THE
34 PURPOSES OF THIS ARTICLE AT THE DIRECTOR'S DISCRETION.

35 C. THE DIRECTOR MUST APPROVE ALL CLAIMS FOR EXPENSES BEFORE PAYMENT.

36 Sec. 6. Section 27-110, Arizona Revised Statutes, is amended to read:

37 27-110. Organization; employees and volunteers; advisory
38 committees; conflict of interest prohibited

39 A. WITH THE APPROVAL OF THE BOARD, THE DIRECTOR SHALL ORGANIZE THE
40 DEPARTMENT AND MAY:

41 1. EMPLOY PERMANENT, TEMPORARY, PART-TIME AND VOLUNTEER PROFESSIONAL
42 AND SUPPORT STAFF. THE qualifications of employees of the department shall
43 be prescribed by the board. THE BOARD MAY AUTHORIZE THE DIRECTOR TO PROVIDE
44 FOR REIMBURSEMENT OF EXPENSES OF VOLUNTEER SUPPORT STAFF.

2. ESTABLISH AND APPOINT THE MEMBERS OF ADVISORY COMMITTEES AS NECESSARY TO ASSIST THE OPERATION OF THE DEPARTMENT.

B. Neither the director nor any OTHER OFFICER OR employee shall:

1. POSSESS OR acquire a pecuniary interest in any mining property ~~in the state.~~

2. Act as broker or agent for any purchaser, owner or agent of mining property, equipment or products.

3. Accept any commission or compensation for services rendered in connection with the mining industry.

4. Make an investigation or report on an individual property for evaluation or private use other than in pursuance of his official duties.

Sec. 7. Section 27-111, Arizona Revised Statutes, is amended to read:

27-111. Mines and mineral resources fund

A. THE MINES AND MINERAL RESOURCES FUND IS ESTABLISHED. Monies received from any source by the department shall be deposited, pursuant to sections 35-146 and 35-147, in the mines and mineral resources fund ~~established by section 27-102.~~ MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED TO THE DEPARTMENT FOR PURPOSES OF ADMINISTERING THIS ARTICLE. THE FUND INCLUDES THE FOLLOWING SEPARATE ACCOUNTS:

1. Monies received pursuant to section 27-105, SUBSECTION B, paragraphs ~~6- 3~~ and ~~7- 4~~ shall be credited to a special account in the fund, designated as the department of mines and mineral resources account, to be used by the department in accordance with ~~the provisions of~~ section 27-105, paragraph ~~6- 3~~ or ~~7- 4~~, as appropriate.

2. Monies received pursuant to section 27-102, subsection B ~~A, paragraph 3, subdivision (c)~~ shall be credited to an account in the ~~mines and mineral resources~~ fund to be used for THE MAINTENANCE AND operations of the MINING AND mineral museum.

3. Monies obtained from the sale of publications under section 27-102, subsection A, paragraph ~~7- 9~~ shall be credited to the department's printing revolving account in the fund for printing further publications. Monies in the department's printing revolving account that at any time are in excess of ~~ten~~ TWENTY thousand dollars shall immediately revert to the state general fund.

B. Monies in the department's printing revolving account up to an amount of ~~ten~~ TWENTY thousand dollars and monies in other accounts in the mines and mineral resources fund are exempt from the provisions of section 35-190 relating to the lapsing of appropriations.

~~C. Claims for expenses shall be approved by the director.~~

Sec. 8. Title 27, chapter 1, article 1, Arizona Revised Statutes, is amended by adding section 27-112, to read:

27-112. Trade secrets; confidentiality; definition

A. THE DIRECTOR MAY RECEIVE AND ACCEPT GEOLOGIC, ENGINEERING AND FEASIBILITY STUDIES AND OTHER ECONOMIC AND TECHNICAL INFORMATION THAT IS CONSIDERED A TRADE SECRET IN THE MINERAL INDUSTRY.

1 B. TRADE SECRET INFORMATION OBTAINED UNDER THIS SECTION IS
2 CONFIDENTIAL AND NOT SUBJECT TO PUBLIC DISCLOSURE.

3 C. FOR THE PURPOSES OF THIS SECTION, "TRADE SECRET" MEANS INFORMATION
4 TO WHICH ALL OF THE FOLLOWING APPLY:

5 1. A PERSON HAS TAKEN REASONABLE MEASURES TO PROTECT THE INFORMATION
6 FROM DISCLOSURE AND THE PERSON INTENDS TO CONTINUE TO TAKE THOSE MEASURES.

7 2. THE INFORMATION IS NOT AND HAS NOT BEEN REASONABLY OBTAINABLE BY
8 LEGITIMATE MEANS BY OTHER PERSONS WITHOUT THE PERSON'S CONSENT, OTHER THAN BY
9 GOVERNMENTAL ENTITIES AND OTHER THAN IN DISCOVERY BASED ON A SHOWING OF
10 SPECIAL NEED IN A JUDICIAL OR QUASI-JUDICIAL PROCEEDING.

11 3. A STATUTE DOES NOT SPECIFICALLY REQUIRE DISCLOSURE OF THE
12 INFORMATION TO THE PUBLIC.

13 4. THE PERSON HAS SATISFACTORILY SHOWN THAT DISCLOSING THE INFORMATION
14 IS LIKELY TO CAUSE SUBSTANTIAL HARM TO THE PERSON'S COMPETITIVE POSITION.

15 Sec. 9. Repeal

16 Section 41-3006.02, Arizona Revised Statutes, is repealed.

17 Sec. 10. Title 41, chapter 27, article 2, Arizona Revised Statutes, is
18 amended by adding section 41-3016.01, to read:

19 41-3016.01. Department of mines and mineral resources;
20 termination July 1, 2016

21 A. THE DEPARTMENT OF MINES AND MINERAL RESOURCES TERMINATES ON JULY 1,
22 2016.

23 B. TITLE 27, CHAPTER 1, ARTICLE 1 IS REPEALED ON JANUARY 1, 2017.

24 Sec. 11. Purpose

25 Pursuant to section 41-2955, subsection B, the legislature continues
26 the department of mines and mineral resources to assist in the exploration,
27 development and exploitation of the state's mineral resources.

28 Sec. 12. Retroactivity

29 Sections 9 and 10 of this act are effective retroactively to July 1,
30 2006.